

#211 ENFO  
FRONTIER REFINING CO  
WY00442  
COMPLIANCE FILES

CY01

REGION 8



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WY0000442 -- ENFORC004  
FRONTIER OIL & REFINING CO

1994-7  
PERMIT NUMBER: WY0000442  
FRONTIER OIL & REFINING CO  
EPA ID: WYD051843613

**BEFORE THE**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF  
VIOLATION**

**Mr. Dave Danford  
Frontier Refining, Inc.  
P.O. Box 1588  
Cheyenne, Wyoming 82003**

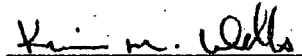
**DOCKET NUMBER 4408-08**

**NOTICE OF COMPLIANCE**

The Department of Environmental Quality (DEQ), Water Quality Division (WQD) issued Notice of Violation (NOV) 4408-08 on January 13, 2009 to Frontier Refining, Inc. (Frontier). The alleged violation included an unauthorized discharge which is a violation of permit conditions under WYPDES permit WY0000442.

The Notice of Violation required Frontier to pay a total amount of seven thousand two hundred dollars and no cents (\$7,200.00) as a penalty to resolve the NOV. Based on the receipt of the check by DEQ on April 9, 2009, Frontier has complied with the conditions of the Settlement Agreement for Docket Number 4408-08 and the DEQ finds that all terms have been satisfied.

Dated this 13<sup>th</sup> day of April, 2009.



Kevin M. Wells  
WYPDES Compliance & Enforcement Coordinator  
Water Quality Division  
Wyoming DEQ

KMW/rm/9-0299

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
James B. Eisenhower, Sheridan DEQ Office (PDF)  
Bill J. DiRienzo (PDF)  
IPS (for scanning) ► Docket 4408-08  
Keith Guille, DEQ Public Information Officer

**BEFORE THE**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF  
VIOLATION & ORDER ISSUED TO:**

**Mr. Gerald B. Faudel  
Vice President  
Frontier Refining, Inc.  
4610 S. Ulster St. Suite 200  
Denver, CO 80237**

**DOCKET NUMBERS 4208-08, 4252-  
08, 4278-08, and 4291-08**

**NOTICE OF COMPLIANCE**

The Department of Environmental Quality (DEQ), Water Quality Division (WQD) issued Notice of Violation Docket Numbers 4208-08 (2/15/08), 4252-08 (5/12/08), 4278-08 (5/27/08), and 4291-08 (7/16/08) to Frontier Refining, Inc. (Frontier). These NOVs alleged that Frontier was in violation of WYPDES permit conditions and unauthorized discharges of produced water to "waters of the state" under the Wyoming Environmental Quality Act (Act) and applicable Wyoming Water Quality Rules and Regulations (WWQRR).

The Notice of Violation required Frontier to pay a total amount of eight hundred fifty thousand dollars and no cents (\$850,000.00) to the DEQ. The DEQ received \$650,000.00 for the penalty and the remaining balance of the penalty (\$200,000.00) was paid under a Supplement Environmental Project (SEP). Based on the receipt of the check received by DEQ on February 23, 2009, Frontier has complied with the conditions of the Settlement Agreement for Docket Numbers 4208-08, 4252-08, 4278-08, and 4291-08 and the DEQ finds that all terms have been satisfied.

Dated this 23 day of February, 2009.

Kevin M. Wells  
Kevin M. Wells  
WYPDES Compliance & Enforcement Coordinator  
Water Quality Division  
Wyoming DEQ

KMW/rm/9-0141

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo (PDF)  
IPS (for scanning) ► Dockets 4208-08, 4252-08, 4278-08, and 4291-08  
Keith Guille, DEQ Public Information Officer (PDF File Only)  
DEQ Director

KMW  
2/23/09

### SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Frontier Refining (Frontier), a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violations Docket Number 4208-08 dated February 15, 2008, Docket Number 4252-08 dated May 12, 2008, Docket Number 4278-08 dated May 27, 2008, and Docket Number 4291-08 dated July 16, 2008 (NOVs). These violations occurred in Laramie County, Wyoming.

23 2008

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Frontier and the DEQ hereby stipulate and agree as follows:

1. The DEQ, pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act (Act) including all provisions of the Wyoming Water Quality Rules and Regulations (WWQR).

2. Frontier agrees to pay a total of eight hundred fifty thousand dollars and no cents (\$850,000.00) as a settlement to resolve the above referenced NOVs. The amount shall be paid as follows: (#1) Frontier agrees to pay a penalty of six hundred fifty thousand dollars and no cents (\$650,000.00) to the DEQ to resolve this matter in lieu of litigation under W.S. §35-11-901(a)(ii). (#2) Frontier shall donate two hundred thousand dollars and no cents (\$200,000.00) to the City of Cheyenne (Cheyenne) in accordance to the DEQ Supplemental Environmental Project (SEP) program. Proposed SEP activities will include the storm water basin park project, habitat improvement along the Norris Viaduct project, or environmental improvement to Crow Creek. Such projects and their agreed upon value must be approved by the DEQ Director and comply with the DEQ SEP policy. All payments to DEQ are due and payable within thirty (30) days of the full execution of this Settlement Agreement. Frontier shall provide verification to the DEQ when the payment(s) have been made to Cheyenne. Payment to DEQ shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division and shall be sent to: Mr. Kevin M. Wells, Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building 4<sup>th</sup> Floor West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. The check should reference NOV Docket Numbers 4208-08, 4252-08, 4278-08, and 4291-08.

\* Fed  
EX  
to

3. This signed Settlement Agreement and payment by Frontier as cited in the NOVs shall constitute full satisfaction for and resolution of all claims by the DEQ against Frontier based on the violations alleged in the NOVs stated above. Contingent upon Frontier's full compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Frontier for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in the NOVs.

4. Frontier waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in the NOVs in the event that Frontier fails to fulfill its obligations under this Settlement Agreement.

5. Nothing in this agreement precludes DEQ from taking additional enforcement action; including the issuance of a NOV, Order, and/or pursuing additional penalties, should Frontier violate the Act, applicable rules and regulations, or WYPDES permit requirements in the future.

6. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by Frontier to any allegations, findings, determinations, or conclusions contained in this Agreement, nor is this a retraction by the DEQ of specific allegations in the NOVs. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that Frontier may have against any entity.

7. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties to enforce its terms.

8. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and DEQ do not waive sovereign immunity by entering into this Settlement Agreement with Frontier and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

9. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

10. Frontier and the DEQ agree to comply with and be bound by the terms of this agreement and further agree they will not contest the basis or validity of this settlement Agreement in any action taken by DEQ to enforce the terms of this Settlement Agreement. Therefore, this Settlement Agreement is binding upon Frontier, its successors and assigns, and upon the DEQ.

11. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement. Full execution of this Settlement Agreement shall be determined by the latest date of all parties signing.

FOR: FRONTIER REFINING, INC.

Signed: Mike Milam Date: 1/23/09

Typed: MIKE MILAM

Title: VICE PRESIDENT & REFINERY MGR

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra  
John V. Corra  
Director  
Department of Environmental Quality

Date: 1/14/09

John F. Wagner  
John F. Wagner  
Administrator  
DEQ/Water Quality Division

Date: 1/13/09

JVC/JFW/KMW/bb/rm/9-0011

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
IPS (for scanning) ► Docket 4208-08, 4252-05, 4278-08, 4291-08  
Keith Guille, DEQ Public Information Officer (PDF)

RECEIVED  
MAR 11 2009

**SETTLEMENT AGREEMENT**

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Frontier Refining (Frontier), a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in Notice of Violations Docket Number 4208-08 dated February 15, 2008, Docket Number 4252-08 dated May 12, 2008, Docket Number 4278-08 dated May 27, 2008, and Docket Number 4291-08 dated July 16, 2008 (NOVs). These violations occurred in Laramie County, Wyoming.

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Frontier and the DEQ hereby stipulate and agree as follows:

1. The DEQ, pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act (Act) including all provisions of the Wyoming Water Quality Rules and Regulations (WWQRR).

**The Settlement Agreement between the parties executed on January 23, 2009, paragraph 2, is amended to read as follows:**

2. Frontier agrees to pay a total of eight hundred fifty thousand dollars and no cents (\$850,000.00) as a settlement to resolve the above referenced NOVs. The amount shall be paid as follows: (#1) Frontier agrees to pay a penalty of six hundred fifty thousand dollars and no cents (\$650,000.00) to the DEQ to resolve this matter in lieu of litigation under W.S. §35-11-901(a)(ii). (#2) Frontier shall donate two hundred thousand dollars and no cents (\$200,000.00) in accordance to the DEQ Supplemental Environmental Project (SEP) program, whereas, one hundred thousand dollars and no cents (\$100,000.00) will be earmarked for the City of Cheyenne to assist in proposed SEP activities to include the Storm Water Basin Park project, habitat improvement along the Norris Viaduct project, or environmental improvement to Crow Creek. Such projects and their agreed upon value must be approved by the DEQ Director and comply with the DEQ SEP policy. The remaining one hundred thousand dollars and no cents (\$100,000.00) will be utilized by the DEQ for contractual costs associated with hiring a contractor to review Frontier Refining's underground injection disposal well proposal. All payments to DEQ are due and payable within thirty (30) days of the full execution of this Settlement Agreement. Frontier shall provide verification to the DEQ when the payment(s) have been made to Cheyenne. Payment to DEQ shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division and shall be sent to: Mr. Kevin M. Wells, Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building 4<sup>th</sup> Floor-West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. The check should reference NOV Docket Numbers 4208-08, 4252-08, 4278-08, and 4291-08.

3. This signed Settlement Agreement and payment by Frontier as cited in the NOVs shall constitute full satisfaction for and resolution of all claims by the DEQ against Frontier based on the violations alleged in the NOVs stated above. Contingent upon Frontier's full compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against Frontier for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in the NOVs.

4. Frontier waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in the NOVs in the event that Frontier fails to fulfill its obligations under this Settlement Agreement.

6. Nothing in this agreement precludes DEQ from taking additional enforcement action; including the issuance of a NOV, Order, and/or pursuing additional penalties, should Frontier violate the Act, applicable rules and regulations, or WYPDES permit requirements in the future.

7. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by Frontier to any allegations, findings, determinations, or conclusions contained in this Agreement, nor is this a retraction by the DEQ of specific allegations in the NOVs. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that Frontier may have against any entity.

8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties to enforce its terms.

9. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and DEQ do not waive sovereign immunity by entering into this Settlement Agreement with Frontier and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

**SETTLEMENT AGREEMENT BETWEEN DEQ/WQD AND FRONTIER REFINING, INC.**

Page 1 of 2

10. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

11. Frontier and the DEQ agree to comply with and be bound by the terms of this agreement and further agree they will not contest the basis or validity of this settlement Agreement in any action taken by DEQ to enforce the terms of this Settlement Agreement. Therefore, this Settlement Agreement is binding upon Frontier, its successors and assigns, and upon the DEQ.

12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement. Full execution of this Settlement Agreement shall be determined by the latest date of all parties signing.

FOR: FRONTIER REFINING, INC.

Signed: G. B. Faudel Date: 03/09/2009

Typed: Gerald B. Faudel

Title: VP, Government Relations & Environmental Affairs

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra  
John V. Corra  
Director  
Department of Environmental Quality

Date: 2/26/09

John F. Wagner  
John F. Wagner  
Administrator  
DEQ/Water Quality Division

Date: 2/26/09

JVC/JFW/KMW/bb/rm/9-0011

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
IPS (for scanning) ► Docket 4208-08, 4252-05, 4278-08, 4291-08  
Keith Guille, DEQ Public Information Officer (PDF)

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John V. Corra  
John V. Corra  
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MAR 11 2009

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FOR: FRONTIER REFINING, INC.

Signed: Mike Milam Date: 1/23/09

Typed: MIKE MILAM

Title: VICE PRESIDENT & REFINERY MGR

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John V. Corra  
John V. Corra  
Director  
Department of Environmental Quality

Date: 1/14/09

John F. Wagner  
John F. Wagner  
Administrator  
DEQ/Water Quality Division

Date: 1/13/09

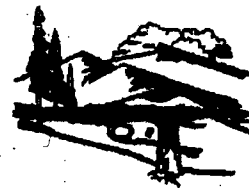
JVC/JFW/KMW/bb/rm/9-0011

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
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Keith Guille, DEQ Public Information Officer (PDF)



# Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



Dave Freudenthal, Governor

John Corra, Director

## CERTIFIED MAIL

January 13, 2009

Mr. Gerald B. Faudel  
Vice President  
Frontier Refining, Inc.  
4610 S. Ulster St. Suite 200  
Denver, CO 80237

***RE: Notice of Violation, Docket Number 4408-08***

Dear Mr. Faudel:

Enclosed is a copy of Notice of Violation, Docket Number 4408-08 issued to Frontier Refining, Inc. (Frontier), for violation of permit conditions in WYPDES permit WY0000442. These violations were observed by Department of Environmental Quality/ Water Quality Division (WDEQ/WQD) during a site inspection of Frontier on November 19, 2008. The failure to comply with permit requirements is a violation of the Wyoming Environmental Quality Act (Act) and the Wyoming Water Quality Rules and Regulations (WWQRR).

While neither the attached Notice of Violation nor this letter constitutes an order, it is the recommendation of this office that you take action to eliminate the alleged violations as follows:

Frontier should inform the Water Quality Division (WQD) in writing of the steps taken to eliminate violations of permit requirements in the future. This information should be received by the WQD on or before 30 days from the date of this letter.

**THIS SPACE INTENTIONALLY LEFT BLANK**


Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

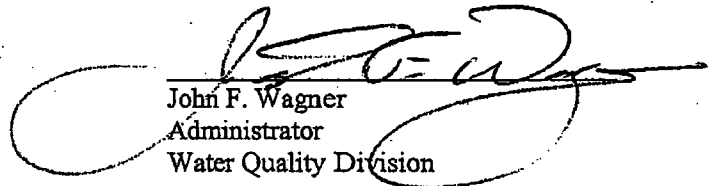
ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6482	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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*Frontier Refining, Inc.*  
*January 13, 2009*  
*Page 2*

The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Frontier. If Frontier wishes to pursue resolution of the previously noted violations through such an agreement, please contact Mr. Kevin M. Wells, WYPDES Compliance & Enforcement Coordinator at (307) 777-8669, or Mr. Brian K. Lovett, WYPDES Inspection & Compliance Supervisor at (307) 777-5630 within 21 days of the date of this letter.

  
\_\_\_\_\_  
John V. Corra  
Director  
Department of Environmental Quality

  
\_\_\_\_\_  
John F. Wagner  
Administrator  
Water Quality Division

JVC/JFW/KMW/bb/9-0020

Enclosure: Notice of Violation  
Inspection Report with photographs  
Copy of "Notification of Bypass" letter

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Jim Eisenhauer, Sheridan DEQ Field Office (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
IPS (for scanning) ► Docket 4408-08  
Keith Guille, DEQ Public Information Officer (PDF File Only)

**BEFORE THE**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**STATE OF WYOMING**

IN THE MATTER OF THE NOTICE OF  
VIOLATION ISSUED TO:

Frontier Refining, Inc.  
4610 S. Ulster St. Suite 200  
Denver, CO 80237

DOCKET NUMBER 4408-08

**NOTICE OF VIOLATION**

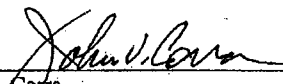
**NOTICE IS HEREBY GIVEN THAT:**

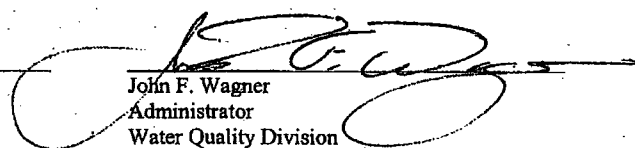
1. Frontier Refining, Inc. (Frontier) is a petroleum refinery located in Sections 5 and 33 of Township 13 North Range 66 West (S5, 33 T13N R66W) in Laramie County, Wyoming;
2. On November 14, 2008, the Department of Environmental Quality (DEQ), Water Quality Division (WQD) received information from Frontier as follow up to a "planned bypass" that occurred during the last week of October 2008. Purpose of the bypass was to allow for maintenance to occur on the wastewater treatment system which is authorized to discharge under WYPDES permit WY0000442. The information further indicated the system did not perform to the level expected based on the prior maintenance (October 2008) resulting in a second bypass for maintenance that occurred on November 14, 2008 and lasted for 3-5 days. Maintenance was performed to replace ineffective carbon/clay filters within the treatment system.
3. DEQ personnel conducted an inspection of the facility on November 19, 2008 and observed charcoal media and sediment in Crow Creek, at and below the discharge point of Outfall 003. By discharging the visible charcoal media and sediment into Crow Creek, Frontier is in violation of Part I, section A (1) of WYPDES permit WY0000442 which states; *"There shall be no discharge of floating solids or foam in other than trace amounts. Nor shall the discharge have a visible sheen or cause formation of a visible sheen or deposits on the bottom or shoreline of the receiving water"*.
4. By discharging the visible charcoal media and sediment into Crow Creek, Frontier is in violation of Chapter 1, Section 15 (Settleable Solids) of the Wyoming Water Quality Rules and Regulations which states *"In all Wyoming surface waters, substances attributable to or influenced by the activities of man that will settle to form sludge, bank or bottom deposits shall not be present in quantities which could result in significant aesthetic degradation, significant degradation of habitat for aquatic life, or adversely affect public water supplies, agricultural or industrial water use, plant life or wildlife"*.
5. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer or agent of a corporate permittee who willingly and knowingly authorizes, orders or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard or permit adopted hereunder or who violates any determination or order of the council pursuant to this act or any rule, regulation, standard, permit, license or variance is subject to a penalty not to exceed ten thousand dollars and no cents (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction. The penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming. Nothing herein shall preclude the

department from negotiating stipulated settlements involving the payment of a penalty, implementation of compliance schedules or other settlement conditions, in lieu of litigation.

**NOTHING IN THIS NOTICE OF VIOLATION (NOV)** shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 14 day of JAN, 2009.

  
John V. Corra  
Director  
Department of Environmental Quality

  
John F. Wagner  
Administrator  
Water Quality Division

**PLEASE DIRECT ALL INQUIRIES TO:** Kevin M. Wells, WYPDES Compliance & Enforcement Coordinator at the Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building, 4<sup>th</sup> Floor West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. Telephone 307-777-8669.

JVC/JFW/KMW/bb/9-0020

att: Inspection Report and Photographs

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)  
Jim Eisenhauer, Sheridan DEQ Field Office (PDF)  
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)  
IPS (for scanning) ► Docket 4408-8  
Keith Guille, DEQ Public Information Officer (PDF File Only)  
DEQ Director